

# FISCAL NOTE

**Bill #:** SB0515

**Title:** Livestock per capita fee -- not billed if under \$5

**Primary Sponsor:** Elliot, J

**Status:** As Introduced

Sponsor signature	Date	David Ewer, Budget Director	Date
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## Fiscal Summary

	<b><u>FY 2006 Difference</u></b>	<b><u>FY 2007 Difference</u></b>
<b>Expenditures:</b>		
State Special Revenue	\$0	\$0
<b>Revenue:</b>		
State Special Revenue	(\$13,860)	(\$13,860)
<b>Net Impact on General Fund Balance:</b>	\$0	\$0

- |   |  |
|---|--|
| <input type="checkbox"/> Significant Local Gov. Impact    | <input type="checkbox"/> Technical Concerns            |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts |
| <input type="checkbox"/> Dedicated Revenue Form Attached  | <input type="checkbox"/> Needs to be included in HB 2  |

## Fiscal Analysis

### ASSUMPTIONS:

#### **Department of Revenue (DOR)**

1. The Department of Revenue collects per capita fees on behalf of the Department of Livestock.
2. This bill sets a limit on the minimum amount of per capita livestock fees the department can bill livestock owners. If an owner of livestock has a per capita livestock fee liability of less than \$5, this proposal would prohibit the department from issuing a tax bill to that owner.
3. Under current law, payment of per capita fees must be made by November 30 of each year. Section 2 of the bill provides that the prohibition on collecting per capita livestock fee liabilities of less than \$5 applies to per capita livestock fees due beginning on November 30, 2005. Due to the applicability date, the state special revenue account for per capita livestock fees will see a reduction in revenue in both FY 2006 and FY 2007.
4. In CY 2004 there were 2,772 livestock owners that had a per capita fee liability of less than \$5. The department sent each of these livestock owners a tax bill for \$5, for a total \$13,860 (2,772 X \$5 = \$13,860) in per capita livestock fees. Because the bill prohibits the billing livestock owners who have a per capita liability of less than \$5, the 2,772 livestock who were billed \$5 in CY 2004 will not be billed in CY 2005 and any follow year their liability is less than \$5. It is assumed that the amount of revenue reduction caused by this bill will remain constant. Therefore, it is assumed that this bill will reduce

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(continued)

revenues to the state special revenue account for per capita livestock fees by \$13,860 in both FY 2006 and FY 2007.

### **Department of Livestock**

5. The Department of Livestock may have to increase fees on all other owners to the allowable limits to make up for the lost revenue.

### **FISCAL IMPACT:**

#### **Department of Revenue (DOR)**

	<u>FY 2006</u> <u>Difference</u>	<u>FY 2007</u> <u>Difference</u>
<u>Revenues:</u>		
State Special Revenue (02)	(\$13,860)	(\$13,860)
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>		
State Special Revenue (02)	(\$13,860)	(\$13,860)

### **TECHNICAL NOTES:**

1. This legislation as written removes the penalty and interest that can be charged for the late payers of their per capita fees on time. There is a deterrent benefit in having the ability to apply penalty and interest to tax payers who refuse or delay paying their assessment on time. The department is unable to determine the fiscal amount of penalty and interest that would be earned from late payments.